GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:101
ANSWERED ON:25.07.2005
SETTING UP OF FERTILIZER PLANTS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government proposes to set up fertilizer plants in the country;

(b) if so, the details thereof; and

(c) if not, the reasons therefore?

Answer

THE MINISTER OF CHEMICALS & FERTILIZERS & MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a), (b) & (c): As per the industrial policy resolution dated 24th July, 1991, no license is normally required for setting up/ expansion of fertilizer plants. Entrepreneurs are free to set up fertilizer project anywhere in the country subject to environmental clearance. However, Public Sector Undertakings/ Cooperative Societies under the administrative control of the Department of Fertilizers have to obtain approval of the Government before undertaking such capital expenditure beyond their delegated powers. Further, setting up of new, expansion and de- bottlenecking projects of urea requires prior approval of the Department of Fertilizers which are to be based on Natural Gas (NG) and Liquefied nature Gas (LNG) as feedstock and fuel, as per the pricing policy for investment made in new, expansion and de-bottlenecking project of urea notified in January, 2004.